

What are your financial goals?

Tips For Being Debt Free

*Do you know the difference
between a want and a need?*

Do you pay
yourself first?

What's in it For Me??

Learning more about how to be debt free can provide a wide variety of benefits to everyone...

- Creates less stress
- Increases productivity
- Improved health
- Increased happiness

Objectives

- Identify financial goals
- Determine where your money goes
- Learn true cost of debt
- Examine the keys using credit wisely
- Recognize how to convert debt reduction to retirement investment
- Become DEBT FREE!

Planting the Seed

- Advertisers target you
 - Advertising and marketing
 - Slogans, celebrities, music
 - Media

They might say...

- No interest for a year
- Get 10% savings
- Get points
- Get Freedom!
- Unlimited credit
- Will transform your life to one of excitement...will take you around the world
- Get debt free and lower your monthly payments

Their Message = SPEND!

- Average credit card debt per household with credit card debt:

a) 21, 234

b) 8,385

c) 14,743

d) 3,864

c) \$14,743

*Calculated by dividing the total revolving debt in the U.S. (\$852.6 billion as of March 2010 data, as listed in the Federal Reserve's May 2010 report on consumer credit) by the estimated number of households carrying credit card debt (54 million)

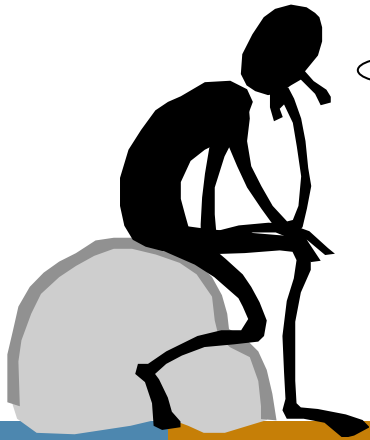
Identify Your Goals

- Buy a car
- Pay off student loans
- Take a vacation
- Buy a house
- Increase retirement investment
- Be DEBT FREE
- Retire

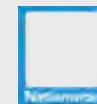


Where Did Your Money Go?

\$ \$ \$ \$ \$ \$



Tips for Being Debt Free



Nationwide®
On Your Side

Realistic Spending Plan

- Where money goes
 - Write it down
- Create a spending plan
 - Pay yourself first – retirement
 - Reduce the debt you have now
 - Adopt a lifestyle within your means
 - Save

Needs vs. Wants

Item	Need	Want
Food	Groceries	Eating Out
Shelter	Dorm/Roommate	Apartment or House
Transportation	Public Transportation	Gas, Car Insurance, etc.
Clothes	The Basics	Trendy Styles & Brands
Phone	Basic Cell Phone	Data Plan Cell Phone
Entertainment	Books, Radio	Cable / Movies



- W Starbucks morning coffee
- W vacation
- W flowers for desk
- W bottled water
- W lunch out
- W ice cream for desert
- W dinner and a movie
- W popcorn/soda at theater

Credit Card Risks

- High interest rates
- Short grace period
- Cash advance fees
- Impulse purchases

Create less debt in the future



- Buy items when you can afford them
 - Use debit cards
- Understand spending habits
 - Plan your spending
- Don't shop while vulnerable
 - Give a cooling-off period

Charging \$100 a Week

End of Period	Balance	Minimum Payment
1st Month	\$ 400	\$ 12
1 Year	4,713	146
5 Years	2,232	69
10 Years	877	27
19 Years	7	7

Payments based on 3% minimum payment. Interest rate is 18%.

No additional charges made in years 2 - 19.

True cost of debt

The True Cost of Joe's Big Screen TV

Joe's credit offer:

**You can borrow up to
\$3,000 ... at 18% interest,
and ... pay only \$49 at the end of each month!**

Totals \$8,820!

Consider the alternative...

$\$65 \times 12 \text{ (months)} \times 15 \text{ (years)} =$

$\$11,700 @ 8\% = \$22,086$

PRE-TAX component of example assumes \$38,000 annual income, single with one deduction.

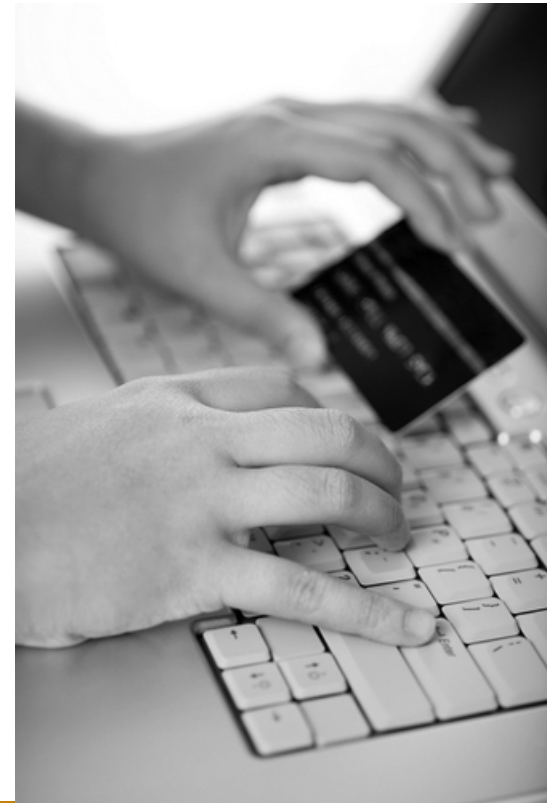
Formula component assumes an 8% annual rate of return over a 15-year cumulative investment period. It is not intended to serve as a projection or prediction of the investment results of any specific investment. Investments are not guaranteed. No taxes or fees are reflected in this example, if they were, results would be lower.

Decrease the cost of credit

- Compare costs of cards
 - Pay off any low-balance cards
 - Transfer the remaining balances to the card with the best interest rate.
- Borrow just as much as you need
- Pay it back quickly
 - Don't continue charging

Protect your credit

- Pay your bills on time!
- Check your credit regularly
- Free annual credit reports for the asking
- Correct mistakes promptly
- Ask for help

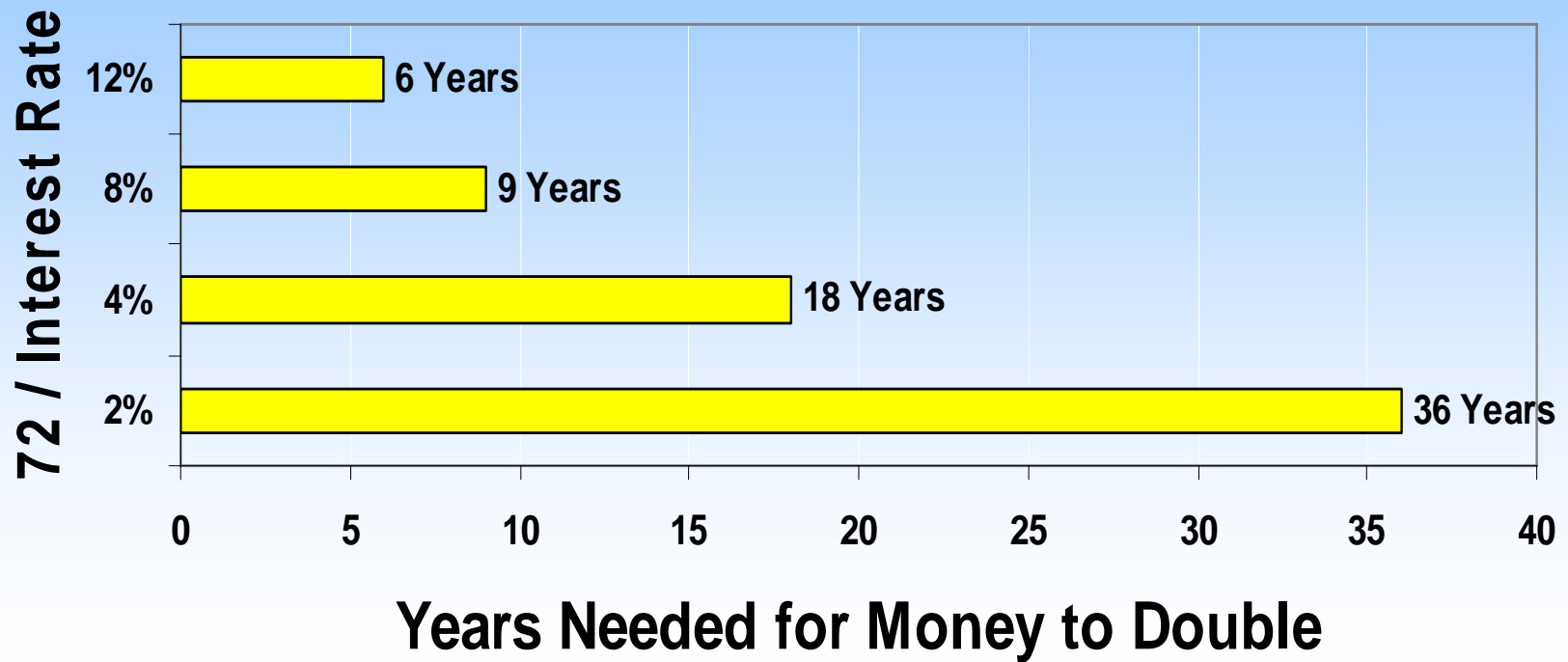


Factors influence credit rating

- Ability to pay a loan
- Interest
- Amount of credit used
- Saving patterns
- Spending patterns
- Debt

Convert debt reduction to a retirement investment

- Pay off debt
- Join your deferred compensation plan or increase your contributions with new-found dollars
- Invest the dollars that were previously used for debt payments
- Find additional ways to save



Doing more with less

- Become more aware of your spending habits
- Spend consciously
- Cut back on small luxuries now and look for ways to increase savings over time

Won't Cramp Your Style

- Use grocery list
- Don't shop when hungry
- Clip coupons and buy bulk foods
- Combine errands
- Bring lunch to work a few times a week
- Leave credit cards at home
- Take advantage of online deals –
Groupon, LivingSocial

Estimated monthly savings: \$50

Might Cramp Your Style

- Shop at consignment/thrift stores
- Use economy car or public transportation
- Eat only one meal out each week
- Cancel cable TV or cell phone service
- NetFlix or RedBox vs. going to movies
- Lower winter thermostat - raise in summer

Estimated monthly savings: \$250

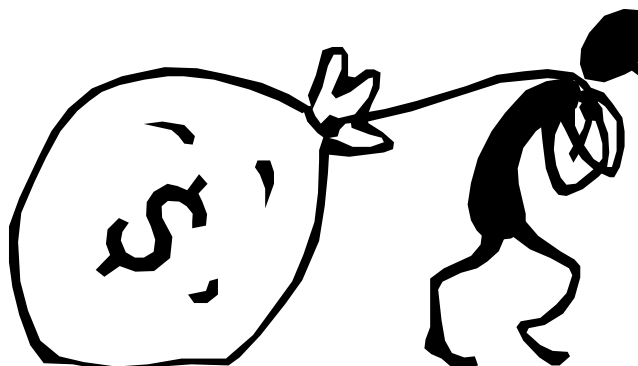
Will Cramp Your Style

- Eat out only once a month
- Use public transportation or bicycle often
- Cancel cable TV, cell phone, & Internet
- Visit the library vs. bookstore
- Share living costs with a roommate
- Read books on ways to be thrifty

Estimated monthly savings: \$500

Today's Habits Pay Off

- Reduce Debt and Start Saving Today
 - Borrow only what you need
 - Limit credit card usage
 - Increase retirement savings



How to Succeed

- Identify financial goals
- Track expenses and create a spending plan
- Use credit cards wisely – reduce debt
- Save in ways that fit your lifestyle
- Start a savings plan—and stick to it!
- Consult an expert financial consultant

Pay off debt, use cards less = DEBT FREE

Retirement Specialists

Specialists available at no additional cost to provide help with:

- enrolling
- investor education
- Understanding investing decisions



Keep in mind that information from Retirement Specialists are for educational purposes only and not intended as investment advice.

Tools to help you

- State Library
- Savings Plus Program
 - Website – sppforu.com
 - Phone – 866-566-4777
 - Statements and Newsletters
- EAP Program

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Thank you for attending

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